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8 **UNITED STATES DISTRICT COURT**
9 **SOUTHERN DISTRICT OF CALIFORNIA**
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11 PEREGRINE SEMICONDUCTOR
12 CORPORATION, a Delaware
corporation,

13 Plaintiff-Counterdefendant,
14 vs.

15 RF MICRO DEVICES, INC., a North
Carolina corporation,

16 Defendant-Counterclaimant.

17 PEREGRINE SEMICONDUCTOR
18 CORPORATION, a Delaware
corporation,

19 Plaintiff,

20 vs.

21 ROBERT BENTON, an individual,
22 Defendant.

23 And Related Case

CONSOLIDATED CASE NO.:
3:12-CV-0911-H (WMC)

CONSOLIDATED WITH: 3:13-
CV-00725-H (WMC)

**ORDER DENYING
PEREGRINE'S MOTION FOR
PRELIMINARY INJUNCTION**

[Doc. No. 99.]

24 On November 25, 2013, Plaintiff Peregrine Semiconductor Corporation
25 ("Peregrine") filed a motion for preliminary injunction against Defendants. (Doc. No.
26 99.) On December 13, 2013, Defendant RF Micro Devices, Inc. ("RFMD") filed its
27 opposition to Peregrine's motion for preliminary injunction. (Doc. No. 113.) On
28 December 20, 2013, Peregrine filed its reply. (Doc. No. 126.) On January 6, 2014, the

1 Court, pursuant to its discretion under Local Rule 7.1(d)(1), submitted the motion on
2 the parties' papers. The Court denies Peregrine's motion.

3 **Background**

4 On April 13, 2012, Peregrine filed the present action against RFMD alleging
5 infringement of U.S. Patent No. 7,910,993 ("the '993 Patent"), U.S. Patent No.
6 7,123,898 ("the '898 Patent"), U.S. Patent No. 7,460,852 ("the '852 Patent"), U.S.
7 Patent No. 7,796,969 ("the '969 Patent"), and U.S. Patent No. 7,860,499 ("the '499
8 Patent"). (Doc. No. 1.) Peregrine's complaint accuses RFMD of marketing and selling
9 integrated circuits that infringe on these patents. (Id.)

10 On November 21, 2013, Peregrine filed a first amended complaint, adding
11 Robert Benton ("Benton") as a defendant. (Doc. No. 97, "FAC".) Benton worked as a
12 Senior RF Design Engineer in Peregrine's Campbell, California office from April, 1994
13 to December, 1997. (Doc. No. 99-5 "Reedy Decl." ¶ 4; Doc. No. 113-1 "Benton Decl."
14 ¶ 1.) While at Peregrine, Benton used his own equipment and tools to conduct his
15 work, and took his equipment and tools with him when left Peregrine. (Benton Decl.
16 ¶ 8.)

17 To state a valid patent infringement claim, all inventors must be listed on the
18 patent. See 35 U.S.C. § 256. Peregrine concedes that Benton should have been named
19 as an inventor on U.S. Patent No. 6,804,502 ("the '502 patent") and the subsequent
20 patents-in-suit including the '993 patent, the '898 patent, the '852 patent, the '969
21 patent, and the '499 patent (collectively, "the '502 family of patents").¹ (FAC ¶ 20.) In
22 August, 2012, Dr. Ronald Reedy ("Reedy"), co-Founder and Chief Technology Officer
23 of Peregrine, contacted Benton to discuss his contribution to the '502 family of patents.
24 (Reedy Decl. ¶ 27; Benton Decl. ¶ 13.) In March, 2013, Reedy informed Benton that
25 Peregrine wished to name him as an inventor of the '502 family of patents. (Reedy

26
27 ¹Benton assigned his rights in U.S. Patent No. 8,405,147 ("the '147 patent") to RFMD
28 as well. (Doc. No. 99-1 at 6.) Since Peregrine has not asserted the '147 patent in this litigation,
the Court's order does not address the '147 patent. (Id.)

Decl. ¶ 28; Benton Decl. ¶ 17.) However, Benton declined to assign his rights in the ‘502 family of patents to Peregrine. (Reedy Decl. ¶ 37.) Instead, in September, 2013, Benton transferred his right, title, and interest in the ‘502 family of patents to RFMD via an assignment agreement. (Reedy Decl. ¶ 40; Benton Decl. ¶ 20.)

On November 25, 2013, Peregrine filed a motion for a preliminary injunction, seeking to enjoin RFMD from engaging in any transfer, licensing, or proceedings before the Patent Office related to Benton’s transfer of rights. (Doc. No. 99.)

Discussion

I. Legal Standard for Preliminary Injunction

Pursuant to Rule 65 of the Federal Rules of Civil Procedure, a court may grant preliminary injunctive relief in order to prevent irreparable injury. Fed. R. Civ. P. 65(a). A party seeking a preliminary injunction must establish (1) that he is likely to succeed on the merits, (2) that he is likely to suffer irreparable harm in the absence of preliminary relief, (3) that the balance of equities tips in his favor, and (4) that an injunction is in the public interest. Winter v. Natural Res. Def. Council, Inc., 555 U.S. 7, 20 (2008). A preliminary injunction is “an extraordinary remedy that may only be awarded upon a clear showing that the plaintiff is entitled to such relief.” Winter, 555 U.S. at 22.

II. Likelihood of Success on the Merits

Peregrine puts forward two theories to argue that Benton’s assignment of rights to RFMD was invalid. First, Peregrine argues that Benton was obligated to assign his inventorship rights to Peregrine pursuant to a written Employment and Assignment agreement. Second, Peregrine argues that the inventions developed by Benton during his time at Peregrine belong to Peregrine under the common law hired to invent doctrine and California Labor Code § 2860.

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1 A. Benton’s Purported Contractual Obligation to Assign Inventorship Rights
 2 to Peregrine

3 A patent owner who seeks to assign his interest in the patent must do so in
 4 writing. 35 U.S.C. § 261; Sky Techs. LLC v. SAP AG, 576 F.3d 1374, 1380 (Fed. Cir.
 5 2009) (citing Akazawa v. Link New Tech. Int’l, Inc., 520 F.3d 1354, 1357 (Fed. Cir.
 6 2008)). Peregrine admits that it does not have any documentation of an Employment
 7 and Assignment agreement or Policy Manual signed by Benton. (Doc. No. 99-1 at 10.)

8 Nevertheless, Peregrine asserts that “there is no reason to believe that Mr.
 9 Benton did not sign” the Employment and Assignment agreement and Policy Manual
 10 in 1994, because it was Peregrine’s company policy to require new employees to sign
 11 these documents. (Reedy Decl. ¶¶ 14-15.) In opposition, Benton submits a declaration
 12 asserting that he has no recollection of executing any employment agreement or
 13 assignment agreement during his time at Peregrine. (Benton Decl. ¶¶ 2-5.)

14 Based on the current record, Peregrine has not demonstrated a likelihood of
 15 success on the merits for its argument that Benton is bound by an Employment and
 16 Assignment agreement.

17 B. Peregrine’s Claim to Benton’s Inventions Under the Hired to Invent
 18 Doctrine and California Labor Code § 2860

19 “The general rule is that an individual owns the patent rights to the subject
 20 matter of which he is an inventor, even though he conceived it or reduced it to practice
 21 in the course of his employment.” Banks v. Unisys Corp., 228 F.3d 1357, 1359 (Fed.
 22 Cir. 2000). “In most circumstances, an inventor must expressly grant his rights in an
 23 invention to his employer if the employer is to obtain those rights.” Bd. of Trustees of
 24 Leland Stanford Junior Univ. v. Roche Molecular Sys., Inc., 131 S. Ct. 2188, 2195
 25 (2011) (citing United States v. Dubilier Condenser Corp., 289 U.S. 178, 187 (1933)).
 26 The hired to invent doctrine presents an exception to this general rule, arising in
 27 circumstances “where an employee is hired to invent something or solve a particular
 28

1 problem” Banks, 228 F.3d at 1359.²

2 If the scope an employee’s work is narrowly directed by the employer towards
3 the resolution of a specific problem, then the employee is obligated to assign to his
4 employer any patents resulting from the work. Banner Metals, Inc. v. Lockwood, 178
5 Cal. App. 2d 643, 658 (Cal. Ct. App. 1960). On the other hand, if the scope of an
6 employee’s work is generalized within a field, a Court will not presume an employee’s
7 duty to assign his employer patents, absent a contract. Id.; 8 Chisum on Patents
8 §22.03[2] (“The primary factor in finding an employment to invent is the specificity
9 of the task assigned to the employee.”)

10 In his declaration, Benton asserts that he “was not hired by Peregrine to solve
11 particular problems or design specific technologies.” (Benton Decl. ¶ 7.) Furthermore,
12 status reports produced during Benton’s term of employment at Peregrine show that he
13 worked on a variety of products. (Doc. No. 113-6, Ex. 16.) Additionally, Benton’s
14 responsibilities extended beyond research and development, including marketing and
15 customer support. (Id.) Benton’s work at Peregrine appears to have been generalized,
16 albeit within the field of semiconductor development. Based on the current record,
17 Peregrine has not demonstrated a likelihood of success on the merits for its argument
18 that Benton was bound under the hired to invent doctrine.

19 **III. Likelihood of Irreparable Harm**

20 A plaintiff seeking a preliminary injunction must demonstrate that he is likely
21 to suffer an irreparable injury in the absence of an injunction. Winter, 555 U.S. at 22.
22 A mere possibility of irreparable harm will not suffice. Id. Peregrine argues that it faces
23 irreparable harm because “RFMD could potentially license, assign, or offer to license
24 or assign Peregrine’s patented RF circuit technology to Peregrine’s competitors.” (Doc.

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26 ² California Labor Code § 2860 has been construed to be coextensive with the common
27 law hired to invent doctrine. Gen. Elec. Co. v. Wilkins, Case No. CV F 10-0674 LJO JLT,
28 2012 WL 3778865, at *12-13 (E.D. Cal. Aug. 31, 2012). Therefore, the Court’s order applies
with equal force to Peregrine’s argument regarding Benton’s obligation under California Labor
Code § 2860.

No. 99-1 at 26; Reedy Decl. ¶ 41.) Peregrine further asserts that any licensing or assignment by RFMD “could cause Peregrine economic harm as well as loss of goodwill.” (Reedy Decl. ¶ 41; Doc. No. 126 at 7-9.)

Peregrine only asserts economic harm and loss of goodwill. Conclusory statements of economic harm and loss of goodwill are insufficient to support a finding of irreparable injury. Spiraledge, Inc. v. SeaWorld Entm’t, Inc., Case No. 13CV296-WQH-BLM, 2013 WL 3467435 at *4 (S.D. Cal. July 9, 2013) (“The statements of [plaintiff’s] CEO . . . are conclusory and without citation to specific evidence; accordingly, these statements are insufficient to support a finding of irreparable injury.”) Accordingly, Peregrine has failed to establish that it is likely to suffer irreparable harm absent injunctive relief.

IV. Balance of the Equities and the Public Interest

“Under Winter, a preliminary injunction movant must show, inter alia, that ‘the balance of equities tips in his favor.’” Shell Offshore, Inc. v. Greenpeace, Inc., 709 F.3d 1281, 1291 (9th Cir. 2013) (quoting Winter, 555 U.S. at 20) (distinguishing circumstances when the plaintiff must show the balance of hardships tips sharply in the plaintiff’s favor). Peregrine argues that absent a preliminary injunction, it could suffer harm, but that RFMD would suffer no harm from the imposition of an injunction. (Doc. No. 99-1 at 27.) RFMD argues that a preliminary injunction would deprive it of the ability to exercise rights in patents that they have purchased. (Doc. No. 113 at 29.)

Peregrine also argues that the issuance of an injunction would protect its patent rights and thereby serve the public interest. (Doc. No. 99-1 at 27). RFMD points out that infringement is not at issue in this motion, and that a preliminary injunction concerning issues of patent ownership has no bearing on the public interest. (Doc. No. 113 at 30.) Based on the current record, Peregrine has not demonstrated that the balance of the equities tips in its favor or that an injunction would serve the public interest.

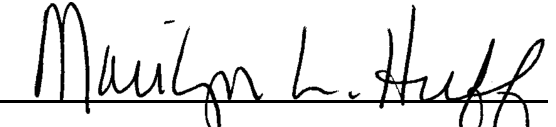
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Conclusion

For the foregoing reasons, the Court denies Plaintiff's application for a preliminary injunction. Winter, 555 U.S. at 22.

IT IS SO ORDERED.

DATED: January 8, 2014


MARILYN L. HUFF, District Judge
UNITED STATES DISTRICT COURT